MONTANA LEGISLATIVE HISTORY

Chapter 428 19 89

Bill H _____ S 444 Original bill & history X C

H. Committee on LABOR & EMPLOYMENT

Hearing Date(s) 3/21 X C

EXEC. ACTION 3/22 X C

_____ C

_____ C

Date Out _____ C

S. Committee on LABOR & EMPLOYMENT

Hearing Date(s) 2/17 X C

& EXEC. ACTION _____ C

_____ C

_____ C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

SENATE BILL NO. 444

INTRODUCED BY AKLESTAD, THAYER, GLASER, MARKS, THOMAS, SMITH

BY REQUEST OF THE GOVERNOR

IN THE SENATE

FEBRUARY 15, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS.
	FIRST READING.
FEBRUARY 17, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 20, 1989	PRINTING REPORT.
	SECOND READING, DO PASS.
	ENGROSSING REPORT.
FEBRUARY 21, 1989	THIRD READING, PASSED. AYES, 50; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 21, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS.
FEBRUARY 28, 1989	FIRST READING.
MARCH 22, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 28, 1989	SECOND READING, CONCURRED IN.
MARCH 29, 1989	THIRD READING, CONCURRED IN. AYES, 97; NOES, 0.
	RETURNED TO SENATE.

IN THE SENATE

MARCH 29, 1989 RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

LC 1622/01

Senate BILL NO. 444

INTRODUCED BY Thomas Hellegaard, Floyd McDonald, Mahlum

BY REQUEST OF THE GOVERNOR C. Smith

A BILL FOR AN ACT ENTITLED: "AN ACT TO ENSURE THAT THE WORKERS' COMPENSATION EMPLOYER'S PAYROLL TAX IS MAINTAINED IN A SEPARATE ACCOUNT AND IS USED ONLY TO REDUCE THE UNFUNDED LIABILITY IN THE STATE FUND; AMENDING SECTION 39-71-2502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-71-2502, MCA, is amended to read:

"39-71-2502. (Temporary) Findings and purpose. (1) Based on current liabilities and actuarial analysis, an unfunded liability presently exists in the state fund and is projected to increase. The legislature recognized that the fund actuary has determined that on June 30, 1988, a full funding deficiency of $157.3 million existed for the state fund. While legislative action is required to correct the causes of the unfunded liability, those actions will not provide sufficient funds to permit the state fund to pay its existing liabilities and obligations in a timely manner from premium and investment income available to the state fund. Therefore, it is necessary to provide a source of funding for the unfunded liability in addition to premium and investment income.

(2) The police power of the state extends to all great public needs. The state, in the exercise of its police power, has determined that it is greatly and immediately necessary to the public welfare to make workers' compensation insurance available to all employers through the state fund as the insurer of last resort. In making this insurance available, the state fund has incurred the unfunded liability described in subsection (1). The burden of this unfunded liability should not be borne solely by those employers who have insured with the state fund because the availability of insurance to all employers through the state fund has benefited all employers who have workers' compensation coverage. Therefore, all employers who have employments covered by the workers' compensation laws should share in the cost of the unfunded liability.

(3) The purpose of this part is to provide a supplemental source of financing for the unfunded liability.

(4) To ensure that the circumstances that contributed to the unfunded liability are not perpetuated, premium rates must be set on an actuarially sound basis as required by state law. The revenue derived from the payroll tax imposed by 39-71-2503 may not be considered revenue for the purpose of establishing premium rates for present or future coverage

INTRODUCED BILL
SB 444

periods. (Terminates June 30, 1991--sec. 10, Ch. 664, L. 1987.)"

NEW SECTION. **Section 2. Extension of authority.** Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

-End-

2/15	INTRODUCED		
2/15	REFERRED TO BUSINESS & INDUSTRY		
2/16	FISCAL NOTE REQUESTED		
2/17	HEARING		
2/17	COMMITTEE REPORT--BILL PASSED		
2/20	FISCAL NOTE RECEIVED		
2/20	FISCAL NOTE PRINTED		
2/20	2ND READING PASSED	34	13
2/21	3RD READING PASSED	36	14
	TRANSMITTED TO HOUSE		
2/28	REFERRED TO BUSINESS & ECONOMIC DEVELOPMENT		
3/09	HEARING		
3/09	COMMITTEE REPORT--BILL CONCURRED		
3/11	2ND READING CONCURRED	65	21
3/13	3RD READING CONCURRED	67	32
3/17	SIGNED BY PRESIDENT		
3/17	SIGNED BY SPEAKER		
3/18	TRANSMITTED TO GOVERNOR		
3/22	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 248 EFFECTIVE DATE: 10/01/89		

SB 444 INTRODUCED BY AKLESTAD, ET AL.
PROVIDE THAT WORKERS' COMPENSATION PAYROLL TAX IS USED ONLY TO REDUCE UNFUNDED LIABILITY
BY REQUEST OF GOVERNOR

2/15	INTRODUCED		
2/15	REFERRED TO LABOR & EMPLOYMENT RELATIONS		
2/17	HEARING		
2/17	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/20	2ND READING PASSED	50	0
2/21	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
2/28	REFERRED TO LABOR & EMPLOYMENT RELATIONS		
3/21	HEARING		
3/22	COMMITTEE REPORT--BILL CONCURRED		
3/28	2ND READING CONCURRED	98	0
3/29	3RD READING CONCURRED	97	0
	RETURNED TO SENATE		
3/31	SIGNED BY PRESIDENT		
3/31	SIGNED BY SPEAKER		
3/31	TRANSMITTED TO GOVERNOR		
4/04	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 428 EFFECTIVE DATE: 4/04/89		

SB 445 INTRODUCED BY MAZUREK, ET AL.
INCREASE CIGARETTE SALES TAX AND TAX ON OTHER TOBACCO PRODUCTS; ALLOCATE REVENUE FROM TAX INCREASE TO INCREASE MEDICAID REIMBURSEMENT

2/15	INTRODUCED		
2/15	REFERRED TO TAXATION		
2/16	FISCAL NOTE REQUESTED		
2/22	FISCAL NOTE RECEIVED		
2/28	FISCAL NOTE PRINTED		
3/07	HEARING		

3/13	COMMITTEE REPORT--BILL PASSED AS AMENDED		
3/16	2ND READ DO PASS MOTION FAILED	14	29
3/16	2ND READING INDEFINITELY POSTPONED	30	15

SB 446 INTRODUCED BY YELLOWTAIL, ET AL.
AUTHORIZE DEPARTMENT OF FISH, WILDLIFE, & PARKS TO ISSUE JOINT HUNTING AND FISHING LICENSES WITH FLATHEAD TRIBES; ALLOW TRIBE MEMBERS TO HUNT AND FISH OFF RESERVATION ON OPEN AND UNCLAIMED LANDS WITHOUT STATE LICENSE

2/15	INTRODUCED		
2/15	REFERRED TO FISH & GAME		
2/17	HEARING		
2/17	COMMITTEE REPORT--BILL PASSED AS AMENDED		
3/01	FISCAL NOTE REQUESTED		
3/07	FISCAL NOTE RECEIVED		
3/08	FISCAL NOTE PRINTED		
3/09	2ND READING PASSED AS AMENDED	28	21
3/11	3RD READING PASSED	28	16
	TRANSMITTED TO HOUSE		
3/13	REFERRED TO FISH & GAME		
3/14	REREFERRED TO JUDICIARY		
3/31	HEARING		
4/05	COMMITTEE REPORT--BILL CONCURRED		
4/08	2ND READING CONCURRED	60	35
4/10	3RD READING CONCURRED	54	41
	RETURNED TO SENATE		
4/14	SIGNED BY PRESIDENT		
4/17	SIGNED BY SPEAKER		
4/18	TRANSMITTED TO GOVERNOR		
4/20	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 590 EFFECTIVE DATE: 10/01/89		

SB 447 INTRODUCED BY YELLOWTAIL, ET AL.
ESTABLISH PROCESS AND PRIORITY DATES FOR FUTURE WATER RESERVATIONS

2/15	INTRODUCED		
2/15	REFERRED TO AGRICULTURE, LIVESTOCK & IRRIG.		
2/16	HEARING		
2/16	COMMITTEE REPORT--BILL PASSED		
2/16	FISCAL NOTE REQUESTED		
2/18	2ND READING PASSED	46	0
2/20	FISCAL NOTE RECEIVED		
2/20	FISCAL NOTE PRINTED		
2/21	3RD READING PASSED	49	1
	TRANSMITTED TO HOUSE		
2/28	REFERRED TO NATURAL RESOURCES		
3/13	HEARING		
3/14	COMMITTEE REPORT--BILL CONCURRED		
3/16	2ND READING CONCURRED	76	17
3/17	3RD READING CONCURRED	75	22
	RETURNED TO SENATE		
3/22	SIGNED BY PRESIDENT		
3/23	SIGNED BY SPEAKER		

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS

Call to Order: By Chairman, Senator Gary C. Aklestad on February 17, 1989, in room 415 in the state Capitol.

ROLL CALL

Members Present: All members were present. Senator Tom Keating, Vice Chairman, Senator Sam Hofman, Senator J.D. Lynch, Senator Gerry Devlin, Senator Bob Pipinich, Senator Dennis Nathe, Senator Richard Manning, Senator Chet Blaylock, and Senator Gary C. Aklestad, Chairman.

Members Excused: There were no members excused.

Members Absent: There were no members absent.

Staff Present: Tom Gomez, Legislative Council

Announcements/Discussion: None

HEARING ON SB 444

Presentation and Opening Statement by Sponsor:

Senator Gary C. Aklestad, chief sponsor of SB 444, said the bill was introduced to put stronger language into the statutes, as far as separating the unfunded liability in the Workman's Comp Division. Senator Aklestad stated there should be a greater assurance, than what is now on the books, to make sure those monies are not funneled off. But, the monies, in fact, do pay for the unfunded liability. That amount should be established.

List of Testifying Proponents and What Group They Represent:

Don Judge, representing the Montana AFL-CIO.

Testimony:

Chairman Aklestad noted the AFL-CIO will be recognized as a proponent, as stated in Don Judge's correspondence. (EXHIBIT #1)

List of Testifying Proponents and What Group They Represent:

There were no testifying proponents.

Questions from the Committee:

Senator Blaylock questioned if the bill will be terminated on June 30, 1991.

Senator Gary C. Aklestad explained the language in another bill will superceded this one and it will not terminate until 1994. He suggested the date be changed to Coincided with the other bill.

Scott Seacat, Legislative Auditor, noted the bill, being referred to, is SB 405. He stated the committee may not want to change the date in the bill, but may want to have the staff counsel research it. He stated the intent of the bill is not to change the effective date, but to change the payroll tax. Mr. Seacat noted, if the date is changed, the date will change the purpose and intent of the bill.

Tom Gomez suggested there should be a coordinating clause in the bill. The clause will say: "if SB 405 is enacted, the appropriate section of SB 44 will be amended to read "1994". Gomez also suggested the term "payroll and wage tax" be inserted in the bill in order to be consistent with SB 405.

Closing by Sponsor:

Senator Gary C. Aklestad urged passed of SB 444.

EXECUTIVE SESSION

DISPOSITION OF SB 444

Recommendation and Vote:

Senator Blaylock moved SB 444 DO PASS, AS AMENDED with the coordinating amendments. The motion CARRIED.

DISPOSITION OF SB 420

Discussion:

Chairman Aklestad explained there is a concern after the Nation Labor Relations people makes the determination the employer is in error, and the employees still will not be able to draw unemployment. The amendment will alleviate this concern.

Senator J.D. Lynch moved the amendment.

ROLL CALL

LABOR COMMITTEE

51st LEGISLATIVE SESSION

DATE: Feb 17, 1989

	PRESENT	ABSENT	EXCUSED
SENATOR TOM KEATING	X		
SENATOR SAM HOFMAN	X		
SENATOR J.D. LYNCH	X		
SENATOR GERRY DEVLIN	X		
SENATOR BOB PIPINICH	X		
SENATOR DENNIS NATHE	X		
SENATOR RICHARD MANNING	X		
SENATOR CHET BLAYLOCK	X		
SENATOR GARY AKLESTAD	X		

SENATE STANDING COMMITTEE REPORT

February 17, 1989

MR. PRESIDENT:

We, your committee on Labor and Employment Relations, having had under consideration SB 444 (first reading copy -- white), respectfully report that SB 444 be amended and as so amended do pass:

1. Page 3, line 7.
Following: line 6
Insert: "NEW SECTION. **Section 3. Coordination instruction.** If Senate Bill No. 405 is passed and approved and if it provides for a tax on employee's wages, then [section 1(4)] of this act is amended so that language referring to "The revenue derived from the payroll tax imposed by 39-71-2503" will read "The revenue derived from the payroll and wage tax imposed by 39-71-2503"."
Renumber: subsequent section

AND AS AMENDED DO PASS

Signed: _____
Gary C. Aklestad, Chairman

HEARING ON SB 444

Presentation and Opening Statement by Sponsor:

SEN. AKELSTAD: SB 444 has been mentioned with SB 405, the employer/employee tax. We felt it was important enough to assure the employers and the employees that the unfunded liability of $157 million not be co-mingled in with the premium tax and with the other potential of any other unfunded liabilities. That is why we have SB 444 before us. It was mentioned also that SB 428 of a previous session did this and it did it to a degree, but we felt not to the degree that we need the assurance and the guarantee to the employers and the employees that we are going to set this fund off to the side, this unfunded liability, off to the side. The only moneys that will flow into that to pay that off will be through the payroll tax and then the wage tax. I would like to emphasize none of the payroll tax or the wage tax that the employee would pay or the employer would go into the other side into the premium tax which pays for the injuries to the employees. I cannot emphasize that enough. That is why we are setting up this bill. You can see on page 2, line 21, is really the thrust of the bill. It shows the unfunded liability on page 1, line 20.

I just remind the committee on page 3 also, the new section, that would be the coordinating instruction clause with SB 405, if that bill should pass.

Testifying Proponents and Who They Represent:

MIKE MICONE, Commissioner of the Department of Labor and Industry.

JAMES TUTWILER, Montana Chamber of Commerce.

JIM MURRY, Executive Secretary of the Montana State AFL-CIO.

BOB HEISER, United Food and Commercial Workers.

Proponent Testimony:

MIKE MICONE, proponent. We rise in support of SB 444. As was mentioned, this is the companion bill to SB 405. It was determined that in order for 428 to be fully implemented and to maintain rates at a reasonable level, it was necessary to remove this unfunded liability from the operation of the fund. For that reason, you have before you these two bills.
I think it is important that we look at this bill as what it is and that is creating a separate fund and looking at 405 as a mechanism to pay that. We hope you will support it.

JAMES TUTWILER, proponent. We have previously testified on 405 and also 444 and our written testimony has been submitted,

attached hereto as Exhibit #14.

JIM MURRY, proponent. We want to make it clear that we are not standing in opposition to this legislation.

BOB HEISER, proponent. We do support this bill and urge a do pass.

Testifying Opponents and Who They Represent:

None.

Opponent Testimony:

None.

Questions From Committee Members:

DRISCOLL: For Jim Tutwiler. Last session in front of the Business and Labor Committee when SB 315 came before us after being worked over by the Senate, the Chamber of Commerce and every other business group said to pass this bill without any amendments. Now, it still isn't working. What went wrong? You all testified for that bill.

TUTWILER: I can't comment on the testimony that was given on SB 315, but I would like to reiterate in our testimony tonight that we have taken the position that we are not in favor of any taxing program on employees, that is on a sustained, continuing basis connected with workers' compensation.

We view this as a special situation and not a continuing, sustaining program.

Closing by Sponsor:

SEN. AKELSTAD: We think it is very important to have SB 444, especially with SB 405, I would like to emphasize just one more time, we are setting this off to the side separately and those funds from the employees and the employers that are going from the payroll tax and the wage tax will pay only that part -- none of that money will be used to go into the premium tax portion that pays for injuries and what the employer's obligation is. It will go only into this unfunded liability to pay that off.

With that, we hope you will look favorably on SB 444.

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DAILY ROLL CALL

LABOR AND EMPLOYMENT RELATIONS COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 3-21-89

NAME	PRESENT	ABSENT	EXCUSED	
Rep. Angela Russell, Chairman	✓			
Rep. Lloyd "Mac" McCormick,VC	✓			
Rep. Vicki Cocchiarella	✓			
Rep. Duane Compton			✓	Proxy
Rep. Jerry Driscoll	✓			
Rep. Bob Pavlovich	✓			
Rep. Bill Glaser	✓			
Rep. Tom Kilpatrick	✓			
Rep. Thomas Lee			✓	Proxy
Rep. Mark O'Keefe	✓			
Rep. Jim Rice	✓			
Rep. Richard Simpkins	✓			
Rep. Clyde Smith	✓			
Rep. Carolyn Squires	✓			
Rep. Fred Thomas	✓			
Rep. Timothy Whalen	✓			

VISITORS' REGISTER

HOUSE LABOR COMMITTEE

BILL NO. SB 444 DATE 3/21/89

SPONSOR Aklestad

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
JAY REARDON	USWA LOCAL 72 Helena T+L Council		✓
Jerome F Verbanac	USWA Local 72		✓
MIKE KING	USWA Local 72		✓
Colleen Rodgers	MFSE/MFT		✓
Jim Tutwiler	MT CHAMBER OF COM	✓	
Don Halverson	Plumbers + Pipefitters 459 Western Montana Bldg Trades		✓
Jack Ball	Operating Eng 400		✓
MICHAEL S. MIZENKO	Plumbers + Fitters #139		✓
Doyle PRUITT	STEELWORKERS 834		✓
Joe Gilda	Local 3038 Bonner		✓
Don W. Wilkins	Lincoln Co. Trades + Labor Co.		✓
Chris Murphy	Local 3038 Bonner		✓
Michael Casey	Local 72		✓
Ben Havdahl	MT Motor Carriers Assn	✓	
Jim Mockler	MT Coal Council	✓	
Bill Kokoruda	Carpenters Local 1533		✓
Bob Heiser	UFCW	✓	
Mike Micuan	Dept Labor & Industry	X	
DUANE WESTERBUHR			X

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

_____ COMMITTEE

BILL NO. SB-444 DATE _____

SPONSOR _____

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Tony Fenden	Mt St Bldg Trades		✓
Debbie Tramonte	AFSCME		✓
R. NADEAN JENSEN	AFSCME		✓
Herb Nelsen			✓
Bill KNUTSON	LABORS		✓
John Osborne	WSCWA 72		✓
Senator Richard Manning	Senate District # 18		✓
MARVIN ALDER	LACW 1981	✓	
Charles BROOKS	MTRetNil ASSOC	✓	
Howard Harman	MYSELF		✓
Stan Vodanoff			✓

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

CS-33

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS

Call to Order: By Chairman Russell, on March 22, 1989, at 8:00 a.m.

ROLL CALL

Members Present: Fifteen.

Members Excused: Duane Compton.

Members Absent: None.

Staff Present: Eddye McClure, Staff Attorney

Announcements/Discussion: Executive Session to act on bills heard the evening of March 21, 1989.

DISPOSITION OF SB 444

Motion:

SMITH: Moved to DO CONCUR IN.

Discussion:

GLASER: Basically what this bill does is the same thing that Rep. Driscoll and Rep. Smith and I insisted that the division had to do during the last session and they just put that into law.

Amendments, Discussion, and Votes: None.

Recommendation and Vote:

Unanimous vote DO CONCUR IN SB 444.

Rep. Glaser will carry this bill on the House floor.

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DISPOSITION OF SB 430

Motion:

DRISCOLL: Moved that SB 430 DO NOT PASS.

DAILY ROLL CALL

LABOR AND EMPLOYMENT RELATIONS COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 3-22-89

Executive Action

NAME	PRESENT	ABSENT	EXCUSED
Rep. Angela Russell, Chairman	✓		
Rep. Lloyd "Mac" McCormick, VC	✓		
Rep. Vicki Cocchiarella	✓		
Rep. Duane Compton			✓
Rep. Jerry Driscoll	✓		
Rep. ~~Floyd "Bob"~~ Pavlovich ~~Gervais~~	✓		
Rep. Bill Glaser	✓		
Rep. Tom Kilpatrick	✓		
Rep. Thomas Lee	✓		
Rep. Mark O'Keefe	✓		
Rep. Jim Rice	✓		
Rep. Richard Simpkins	✓		
Rep. Clyde Smith	✓		
Rep. Carolyn Squires	✓		
Rep. Fred Thomas	✓		
Rep. Timothy Whalen	✓		

CS-30